HIGHER EDUCATION/Final Passage

SUBJECT: Higher Education Act Amendments of 1998 . . . H.R. 6. Final passage, as amended.

ACTION: BILL PASSED, 96-1

SYNOPSIS: As amended and passed, H.R. 6, the Higher Education Act of 1998, will reauthorize and amend numerous Federal higher education programs. Student loan interest rates will be reduced and the maximum Pell Grant amount will be increased. Details are provided below.

- Federal Family Education Loan Program (FFEL; also called the Guaranteed Student Loan (GSL) Program; for related debate, see vote Nos. 192 and 194). The student loan interest rate will be equivalent to the 91-day Treasury bill (T-bill) plus 1.7 percent while the student is in school. After graduation, the rate will be the 91-day T-bill plus 2.3 percent, with a cap of 8.25 percent. For loan providers, rates will be the 91-day T-bill plus 2.2 percent during the in-school period and plus 2.8 percent during repayment. For PLUS loans, rates will be the 91-day T-bill plus 3.1 percent, capped at 9 percent for borrowers and lenders. The reinsurance amounts will be reduced from 98 percent to 95 percent. Up to \$10,000 in loans may be forgiven for a teacher who teaches in a high-poverty school. A demonstration program will be authorized to provide loan forgiveness for child care providers. Extended repayment options will be authorized. Numerous management reforms will be enacted.
- William D. Ford Federal Direct Loan Program. The student loan interest rate will be equivalent to the 91-day T-bill plus 1.7 percent while the student is in school, plus 2.3 percent thereafter, with a cap of 8.25 percent. Interest rate paid by borrowers under the Federal PLUS Loan Program will be set at the current rate of the 91-day T-bill plus 3.1 percent with an annual cap of 9 percent.
- \$900 million for fiscal year (FY) 1999 and such sums as necessary for the next 4 years will be authorized for the Federal Work Study Program.
- \$250 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for the Federal Perkins Loan Program.
 - \$300 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for Teacher Quality Enhancement

(See other side)

YEAS (96)				NAYS (1)		NOT VOTING (3)	
· * · · · · · · · · · · · · · · · · · ·		mocrats	Republicans (1 or 2%)	Democrats (0 or 0%)	Republicans	Democrats	
		(44 or 100%)			(2)	(1)	
Abraham Allard Ashcroft Bennett Bond Brownback Burns Campbell Chafee Coats Cochran Collins Coverdell Craig D'Amato DeWine Domenici Enzi Frist Gorton Gramm Gramm Gramm Grams Grassley Gregg Hagel	Hatch Hutchinson Inhofe Jeffords Kempthorne Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Warner	Akaka Baucus Biden Bingaman Boxer Breaux Bryan Bumpers Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Feingold Feinstein Ford Glenn Graham Harkin Hollings	Inouye Johnson Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Murray Reed Reid Robb Rockefeller Sarbanes Torricelli Wellstone Wyden	Helms		EXPLANAT 1—Official F 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent nced Yea nced Nay Yea

VOTE NO. 195 JULY 9, 1998

Grants and Teacher Training Partnership Grants. Those grants will be given to encourage States to improve the quality of the current and future teaching force, including by encouraging States to require secondary school teachers to have academic majors (for related debate, see vote No. 193).

- \$37 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for recruiting teachers for underserved areas. The Minority Teacher Recruitment Program will be replaced by a new program under which underserved urban and rural areas will work with the Department of Education to determine the teaching needs of high-poverty schools in their communities, to identify candidates who can fill those needs, and to provide training for those candidates.
- \$135 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for institutional aid. Institutions will be allowed to use up to 20 percent of their awards to establish or to expand endowment funds.
- \$5 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for a new grant program for Tribal Colleges and Universities to strengthen services for Native American students.
- \$135 million for FY and such sums as necessary for the next 4 years will be authorized for awards to historically black colleges and universities. Institutions will be allowed to use up to 20 percent of their awards to establish or to expand endowment funds. Eligible graduate and professional institutions will only have to match funds received in excess of \$500,000.
- \$30 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for awards to historically black professional or graduate institutions. Eligible graduate and professional institutions will only have to match funds received in excess of \$500,000.
- \$110 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for capital financing for historically black colleges and universities.
- The Department of Education will be required to establish a performance-based organization to reduce the cost and to improve the delivery of student financial aid.
- Pell Grants. The maximum Pell Grant amount will be gradually increased; it will reach \$5,800 in academic year 2003-2004. Allowances for dependent child care expenses will be increased. A student will be permitted to receive two Pell grants during a single year. A time limit will be placed on the period during which students may receive Federal Pell Grants.
- \$700 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for the Federal TRIO Programs, which provide early intervention assistance so that students are more likely to pursue postsecondary education.
- \$200 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for the National Early Intervention Scholarship and Partnership Program.
- \$700 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for Federal Supplemental Education Opportunity Grants, which provide need-based grant assistance to students preparing for postsecondary education.
- \$105 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for the Leveraging Educational Assistance Partnership Program, which is a new program to leverage greater State higher education assistance.
 - \$25 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for migrant farmworker programs.
- \$45 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for the Robert C. Byrd Honors Scholarship Program.
- \$60 million for FY 1999 and such sums as necessary for the next 4 years will be authorized for the Child Care Access Means Parents in School (CAMPUS) Program, which pays for campus-based child care at postsecondary institutions.
- Other authorizations include funding for programs for students with disabilities, for institutions that serve Hispanics, and for incarcerated youth offenders.
 - Numerous obsolete, small programs will be terminated.
- Welfare recipients will be allowed to attend college or vocational school for 2 years and count that attendance as meeting the work requirement of the welfare reform bill enacted last Congress (see vote No. 195).
 - Reporting requirements on campus crimes will be strengthened and expanded to include arson and hate crimes.
- Educational assistance under the Montgomery GI bill will not be considered as "other financial aid" when determining a student's eligibility for other financial assistance.
- Guaranty agencies and lenders will notify proprietary schools (post-secondary, noncollegiate, for-profit schools) when they are doing skip-tracing of borrowers who attended those schools and who have gone into default; September 30 will be the deadline each year for the Department of Education to release its annual default rate for schools; a liaison position will be created at the Department of Education for proprietary schools.
- Nothing in this bill will be construed to prohibit a postsecondary institution from disclosing, to a parent of a student who is under the age of 21, information regarding violation of any Federal State, or local laws governing the use or possession of alcohol or drugs by that student, whether or not that information is contained in that student's education records.
 - Federal grant and loan eligibility will be suspended for students convicted of possessing or selling controlled substances.
- It is the sense of Congress that Congress should support and encourage character building initiatives in schools across America and urge colleges and universities to affirm that the development of character is one of the primary goals of higher education.

JULY 9, 1998 VOTE NO. 195

• Information will be collected and published on the percentage of candidates who pass assessments for elementary and secondary teaching certificates and licenses; that information will be disaggregated based upon the schools those candidates attended.

NOTE: Immediately prior to final passage, the Senate struck all after the enacting clause and inserted in lieu thereof the text of S. 1882, as amended.

Those favoring final passage contended:

This bill will make college more accessible for Americans by lowering interest rates for student loans, by increasing the size of Pell Grant awards, and by making literally hundreds of other improvements to Federal higher education programs. We are especially pleased with the low interest rates for both direct and guaranteed student lending, which will save some borrowers as much as \$3,200 over the course of their loans. Increasing access to, and the quality of, higher education will ensure that our Nation remains a leader in educational excellence for all of our citizens. By giving more students the ability to attend college, we are giving them the opportunity to pursue their dreams. Over the years, the Federal effort in this area has been substantial and will continue to be so. The Higher Education Act currently provides \$48.5 billion in student financial assistance for 8.5 million students. In 1995-1996, 55 percent of undergraduates received financial assistance under this Act. Thirty-one percent received Federal grants, 43 percent received federally sponsored loans, and 9 percent participated in the Federal work-study program. Over the next 10 years the Federal Government will guarantee over 88 million student loans, and over the next 5 years it will provide more than 25.4 million Pell Grants. The benefits that will flow from this bill to tens of millions of Americans are huge. We are very pleased to vote in favor of final passage.

No arguments were expressed in opposition to final passage.